

**ECONOMIC DEVELOPMENT AUTHORITY[261]**

**Adopted and Filed**

**Rulemaking related to Iowa jobs training program**

The Director of the Workforce Development Department (Department) hereby amends Chapter 7, “Iowa Jobs Training Program,” Iowa Administrative Code.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code section 96.11.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code chapters 7, 260F and 261.

*Purpose and Summary*

The Economic Development Authority has entered into an agreement under Iowa Code chapter 28E with the Department to administer the Iowa Jobs Training Program (260F Program). These amendments clarify opportunities for small businesses and cross-entity businesses to take advantage of 260F Program funding opportunities.

Community colleges have consistently voiced concerns on behalf of small businesses that 260F Program training is unavailable for small business leadership because small business executives often run or have day-to-day tasks that involve employee functions. When these small business executives are excluded from 260F Program training, the business loses an essential opportunity for improvement.

Community colleges have also pointed out that many businesses have multiple divisions (such as a retail business also having a manufacturing arm), which similarly precludes these cross-entity businesses from benefitting from 260F Program funding opportunities.

The amendments aim to reduce barriers to receiving 260F Program funding.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on February 22, 2023, as **ARC 6916C**. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Authority Board on August 8, 2023.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on October 11, 2023.

The following rulemaking action is adopted:

ITEM 1. Amend rule **261—7.3(260F)**, definitions of “Eligible business” and “Employee,” as follows:

“*Eligible business*” or “*business*” means a business training employees which is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, warehousing or wholesaling products, conducting research and development, or providing services in interstate commerce, but excludes solely retail, health, or professional services and which meets the other criteria established by the authority. A business engaged in the provision of services must have customers outside of Iowa to be eligible. The business site to receive training must be located in Iowa. “Eligible business” does not include a business whose training costs can be economically funded under Iowa Code chapter 260E, a business which closes or substantially reduces its workforce by more than 20 percent at existing operations in order to relocate substantially the same operation to another area of the state, or a business which is involved in a strike, lockout, or other labor dispute in Iowa. If a business closes or substantially reduces its workforce by more than 20 percent at existing operations in order to relocate substantially the same operation to another area of the state, then the business is ineligible for 36 consecutive months at any of its Iowa sites from the date the new establishment opens.

“*Employee*” means a person currently employed by a business who is to be trained. An employee for whom training is planned must hold a current position intended by the employer to exist on an ongoing basis with no planned termination date. Training is available only to an employee who is hired by the business, who is currently employed by the business, and for whom the business pays withholding tax. However, “employee” does not include a person with executive responsibilities, a replacement worker who is hired as a result of a strike, lockout, or other labor dispute in Iowa, or an employee hired as a temporary worker. “Employee” does include a person with executive responsibilities if such person works in both an executive- and employee-based capacity for a small business with a total labor force of fewer than 50 persons.

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EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 9/6/23.